

ASSEMBLY BILL

No. 1326

Introduced by Assembly Member Houston

February 23, 2007

An act to amend Section 20221 of the Public Contract Code and to amend Section 130232 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1326, as introduced, Houston. San Francisco Bay Area Rapid Transit District: Los Angeles County Metropolitan Transportation Authority.

Existing law establishes various regional transportation authorities, including the San Francisco Bay Area Rapid Transit District (BART) and the Los Angeles County Metropolitan Transportation Authority (MTA). Existing law requires that, when the expenditure required for a purchase of supplies, equipment, and materials by BART or MTA exceeds \$100,000, adjusted annually as provided under federal law, the purchase shall be by contract let to the lowest responsible bidder or to the responsible bidder who submits a proposal that provides the best value, as defined, except as specified. Existing law also requires that, when an expected expenditure required by BART or MTA exceeds \$2,500, adjusted annually as provided under federal law, but does not exceed a specified amount, the district or commission shall obtain a minimum of 3 quotations that permit price and term to be compared, except as specified.

This bill would delete the provisions requiring the above maximum and minimum expenditure amounts to be adjusted annually as provided under federal law.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20221 of the Public Contract Code is
2 amended to read:
3 20221. (a) The purchase of all supplies, equipment, and
4 materials when the expenditure required exceeds one hundred
5 thousand dollars (\$100,000), ~~adjusted annually consistent with~~
6 ~~Chapter 1 of Title 48 of the Code of Federal Regulations~~, shall be
7 by contract let to the lowest responsible bidder or, in the district's
8 discretion, to the responsible bidder who submitted a proposal that
9 provides the best value to the district on the basis of the factors
10 identified in the solicitation. "Best value" means the overall
11 combination of quality, price, and other elements of a proposal
12 that, when considered together, provide the greatest overall benefit
13 in response to requirements described in the solicitation documents.
14 The construction of facilities and works when the expenditure
15 required exceeds ten thousand dollars (\$10,000) shall be by contract
16 let to the lowest responsible bidder. Notice requesting bids shall
17 be published at least once in a newspaper of general circulation.
18 This publication shall be made at least 10 days before the bids are
19 received. The board may reject any and all bids and readvertise in
20 its discretion.
21 (b) Whenever the expected procurement required exceeds two
22 thousand five hundred dollars (\$2,500), ~~adjusted annually~~
23 ~~consistent with Chapter 1 of Title 48 of the Code of Federal~~
24 ~~Regulations~~, and, in the case of the construction of facilities and
25 works, does not exceed ten thousand dollars (\$10,000) or, in the
26 case of the purchase of supplies, equipment, or materials, does not
27 exceed one hundred thousand dollars (\$100,000), ~~adjusted annually~~
28 ~~consistent with Chapter 1 of Title 48 of the Code of Federal~~
29 ~~Regulations~~, the district shall obtain a minimum of three quotations,
30 either written or oral, that permit prices and terms to be compared.
31 (c) Where the expenditure required by the bid price is less than
32 one hundred thousand dollars (\$100,000), the general manager
33 may act for the board. When acting pursuant to this subdivision,
34 the general manager shall, in each instance, promptly notify the
35 board of the action taken.

1 SEC. 2. Section 130232 of the Public Utilities Code is amended
2 to read:

3 130232. (a) Except as provided in subdivision (f), purchase
4 of all supplies, equipment, and materials, and the construction of
5 all facilities and works, when the expenditure required exceeds
6 twenty-five thousand dollars (\$25,000), shall be by contract let to
7 the lowest responsible bidder. Notice requesting bids shall be
8 published at least once in a newspaper of general circulation. The
9 publication shall be made at least 10 days before the date for the
10 receipt of the bids. The commission, at its discretion, may reject
11 any and all bids and readvertise.

12 (b) Except as provided for in subdivision (f), whenever the
13 expected expenditure required exceeds one thousand dollars
14 (\$1,000), but not twenty-five thousand dollars (\$25,000), the
15 commission shall obtain a minimum of three quotations, either
16 written or oral, ~~which~~ *that* permit prices and terms to be compared.

17 (c) Where the expenditure required by the bid price is less than
18 fifty thousand dollars (\$50,000), the executive director may act
19 for the commission.

20 (d) All bids for construction work submitted pursuant to this
21 section shall be presented under sealed cover and shall be
22 accompanied by one of the following forms of bidder's security:

- 23 (1) Cash.
24 (2) A cashier's check made payable to the commission.
25 (3) A certified check made payable to the commission.
26 (4) A bidder's bond executed by an admitted surety insurer,
27 made payable to the commission.

28 (e) Upon an award to the lowest bidder, the security of an
29 unsuccessful bidder shall be returned in a reasonable period of
30 time, but in no event shall that security be held by the commission
31 beyond 60 days from the date that the award was made.

32 (f) The following provisions apply only to the Los Angeles
33 County Metropolitan Transportation Authority:

- 34 (1) The contract shall be let to the lowest responsible bidder or,
35 in the commission's discretion, to the responsible bidder who
36 submitted a proposal that provides the best value to the commission
37 on the basis of the factors identified in the solicitation when the
38 purchase price of all supplies, equipment, and materials exceeds
39 one hundred thousand dollars (\$100,000), ~~adjusted annually~~
40 ~~consistent with Chapter 1 of Title 48 of the Code of Federal~~

1 Regulations. “Best value” means the overall combination of quality,
2 price, and other elements of a proposal that, when considered
3 together, provide the greatest overall benefit in response to
4 requirements described in the solicitation documents. The contract
5 shall be let to the lowest responsible bidder when the purchase
6 price of the construction of all facilities exceeds twenty-five
7 thousand dollars (\$25,000).

8 (2) The commission shall obtain a minimum of three quotations,
9 ~~whether~~ *either* written or oral, that permit prices and terms to be
10 compared whenever the expected expenditure required exceeds
11 two thousand five hundred dollars (\$2,500), ~~adjusted annually~~
12 ~~consistent with Chapter 1 of Title 48 of the Code of Federal~~
13 ~~Regulations~~, but not one hundred thousand dollars (\$100,000);
14 ~~adjusted annually consistent with Chapter 1 of Title 48 of the Code~~
15 ~~of Federal Regulations~~.